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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Financial performance report for the period from 1 July 2005 to 30 June 2006 and proposed budget for the period from 1 July 2007 to 30 June 2008 for the United Nations Disengagement Observer Force

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06	$41,521,400
Expenditure for 2005/06	$40,116,900
Unencumbered balance for 2005/06	$1,404,500
Appropriation for 2006/07	$39,865,200
Preliminary status of expenditures for 2006/07	$31,135,700[a]
Projected unencumbered balance for 2006/07	$391,875[a]
Proposal submitted by the Secretary-General for 2007/08	$39,923,100
Recommendation of the Advisory Committee for 2007/08	$39,662,500

[a] Estimate as at 28 February 2007 (see annex).

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I. Introduction

1. **The Advisory Committee on Administrative and Budgetary Questions recommends acceptance of the Secretary-General's proposal for the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 2007 to 30 June 2008, with the exception of his proposal to transfer funds for after-service health insurance (see paras. 7 and 18 below).**

2. The Advisory Committee's general report on the administrative and budgetary aspects of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to UNDOF.

3. The documents used by the Advisory Committee in its consideration of the financing of UNDOF are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

4. The General Assembly, in its resolution 59/306, appropriated to the Special Account for UNDOF the amount of $41,521,400 gross ($40,379,000 net) for the period from 1 July 2005 to 30 June 2006. The total amount has been assessed on Member States. Expenditures for the period totalled $40,116,900 gross ($38,990,700 net), which is $1,404,500, or 3.4 per cent, lower than the apportionment of $41,521,400 (see A/61/662, summary).

5. The unutilized balance of $1,404,500 is the net effect of savings and additional requirements under various line items. Savings were attributable mainly to lower requirements for death and disability compensation for military personnel, as well as the inability to conclude a planned wet lease of six Sisu armoured personnel carriers. Other savings related to the transfer of eight 4x4 vehicles from the United Nations Interim Force in Lebanon (UNIFIL) instead of the planned purchase of new vehicles, and a decision not to acquire two armoured ambulances. Overexpenditures under military personnel relate to additional troop rotations, an increase in the cost of rations and the unbudgeted repatriation of contingent-owned equipment for one troop-contributing country.

6. The comments of the Advisory Committee on individual objects of expenditure can be found in the discussion of the proposed budget for the period from 1 July 2007 to 30 June 2008 in the paragraphs below.

7. The Advisory Committee notes that the General Assembly, in its resolution 61/264, requested the Secretary-General to submit a detailed report on after-service health insurance at its sixty-third session. **Pending a decision by the General Assembly, the Committee recommends that the full amount of other income and adjustments amounting to $4,196,000, as well as a portion of the unencumbered balance amounting to $84,400 for UNDOF for the period 2005/06, which had been proposed for meeting after-service health insurance liabilities, be credited to Member States.**

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 28 February 2007, a total of $1,493,070,600 had been assessed on Member States with respect to UNDOF since its inception. Payments received as at the same date amounted to $1,476,323,300, leaving an outstanding balance of $16,738,300. As at 28 February 2007, the cash position of the Force was $21,200,000 and unliquidated obligations for the period from 1 July 2005 to 30 June 2006 amounted to $3,579,213.

9. The Advisory Committee was also informed that troop-cost reimbursement up to 31 October 2006 totalled $14,164,400, while the remaining balance owed as at 31 December 2006 was $2,349,300. With regard to contingent-owned equipment, the Committee was informed that, as at 31 December 2006, an amount of $118,000 had been reimbursed and the estimated amount owed was $36,000, while unliquidated obligations for the period ending 30 June 2006 totalled $2,438,266. As at 28 February 2007, an amount of $5,302,500 had been paid for 153 claims for death and disability compensation since the inception of the mission; unliquidated obligations amounted to $8,500 and three claims remained outstanding. **The Committee trusts that the outstanding claims will be settled expeditiously.**

10. The Advisory Committee was informed that, as at 28 February 2007, the incumbency of UNDOF for the period from 1 July 2006 to 30 June 2007 was as follows:

	Posts authorized	*Posts encumbered*	*Number of vacant posts*	*Vacancy/delayed deployment rate (percentage)*
Military contingent personnel	1 047	1 024	23	2.2
International staff	43	40	3	7.0
National staff[a]	107	104	3	2.8

[a] Includes National Officers and national General Service staff.

11. The Advisory Committee was provided with the preliminary status of expenditures as at 28 February 2007 for the period from 1 July 2006 to 30 June 2007 (see annex). For the current period, expenditures amounted to $31,135,762 gross ($30,602,818 net) against an apportionment of $39,865,200 gross ($38,798,600 net) as at 28 February 2007. Total expenditure for the period is estimated at $39,473,325 (gross) ($38,637,229 net), including projected expenditures of $8,337,563 for the period 1 March to 30 June 2007.

12. In its previous report on UNDOF, the Advisory Committee noted the progress made with regard to the Force's three-year modernization programme (A/60/811, para. 12). The modernization programme was completed in early 2006 and no further capital expenditures were expected in this context. In this regard, the Committee was informed by UNDOF that the number of static positions has been reduced from 30 to 21, while mobile operations have increased. **The Advisory Committee encourages UNDOF to continue to keep the mode of operation of the Force under review.**

IV. Proposed budget for the period from 1 July 2007 to 30 June 2008

A. Mandate and planned results

13. The mandate of UNDOF was established by the Security Council in its resolution 350 (1974). The most recent extension of the mandate, to 31 December 2006, was authorized by the Council in its resolution 1685 (2006).

14. With regard to the results-based budgeting framework, the Advisory Committee notes that total resource requirements continue to be linked to the Force's objective and that expected accomplishments, indicators of achievement and planned outputs were explained in a concise manner in both the budget document and the performance report. **The Committee welcomes this trend and encourages the mission to continue doing so.**

B. Resource requirements

1. Military and civilian police personnel

Category	*Approved 2006/07*	*Proposed 2007/08*	*Variance*
Military contingent personnel	1 047	1 047	—

15. The proposed budget for the period 2007/08 for military personnel amounts to $19,698,800, a reduction of $242,800, or 1.2 per cent. The Advisory Committee was informed that this reflects a combination of anticipated increases and decreases under various budget line items. Increased requirements are expected for travel of military contingent personnel as a result of increased charter costs. Reduced requirements are expected for death and disability compensation for military contingent personnel, on the basis of recent lower expenditure levels.

16. With regard to contingent-owned equipment, the Committee was informed by UNDOF that the requirements for six Sisu vehicles under a wet lease agreement have not been incorporated in the proposed 2007/08 budget pending the outcome of negotiations with troop-contributing countries. A proposal by UNDOF to utilize another type of armoured vehicle that would meet operational requirements on the ground is being discussed with Headquarters. The Committee was also informed that, if the acquisition of those vehicles were approved, the estimated unencumbered balance for the 2006/07 period in the amount of $391,900 would be redeployed for that purpose and that the appropriation for that period would then be utilized in full.

2. Civilian personnel

Category	*Approved 2006/07*	*Proposed 2007/08*	*Variance*
International staff	43	43	—
National staff[a]	107	107	—

[a] Including National Officers and national General Service staff.

General comments

17. The proposed budget for the period 2007/08 for civilian personnel amounts to $8,870,300, reflecting an increase of $373,600, or 4.4 per cent. The Advisory Committee was informed that the increase is primarily a result of the revised salary scale effective 1 February 2007.

18. The Advisory Committee was informed that, in line with the proposal by the Secretary-General to establish an initial after-service health insurance-related charge equivalent to 8 per cent of net base salary costs on all budget types (see A/61/730, para. 35 (b)), the proposed budget for UNDOF includes provisions for after-service health insurance of $259,000 under common staff costs for international staff and of $1,600 under general temporary assistance for one international staff member for the UNDOF mapping project. **Pending a decision by the General Assembly, the Committee recommends a reduction of $259,000 under common staff costs for international staff and $1,600 under general temporary assistance in the proposed budget for UNDOF for the period 2007/08.**

Recommendation on post redeployment

19. *Redeployment of one national General Service post, Procurement Section, to the Finance Section, Division of Administration (A/61/671, para. 9).* Invoice-processing functions would be moved along with the post, as proposed by the Office of Internal Oversight Services, in order to ensure the segregation of duties between the procurement and finance sections of missions. **The Advisory Committee has no objection to the redeployment of this post.**

3. Operational costs

(United States dollars)

Apportioned 2006/07	*Proposed 2007-2008*	*Variance*
11 426 900	11 354 000	72 900

Comments on efficiency gains

20. The Advisory Committee notes from paragraph 5 of the budget proposal that in 2007/08 the mission is seeking efficiency gains, in particular in the area of ground transportation, where it will extend the scheduled replacement timeline for light vehicles from an average of seven years to eight years, which would reduce the number of vehicles envisaged for replacement from 81 to 55. **The Advisory Committee welcomes these efforts and looks forward to the inclusion of the efficiency gains made in the performance report for the period 2007/08.**

General temporary assistance

21. During the 2005/06 period, general temporary assistance overexpenditures were incurred in the amount of $361,800. Upon enquiry, the Advisory Committee was informed that New York Headquarters had recruited two staff members to set up the mapping project and the related cartographic cell, which is now being operated by one international P-3 and one national General Service staff member, who were also providing cartographic training to national staff. For this purpose, a total of

$77,000 for six months was earmarked under general temporary assistance for the 2007/08 period. Upon enquiry, the Committee was informed that the Secretary-General had not envisaged a regional approach to geographic information systems or mapping in the budget for 2007/08. **The Committee recommends that the Secretary-General consider providing for a coordinated capacity for the region.**

Medical

22. For the 2005/06 period, the apportionment for medical supplies in the amount of $138,000 was exceeded by $74,900, or 54.3 per cent, resulting in total expenditures of $212,900. Supplementary information indicates that this amount was the share of UNDOF for the procurement of medical supplies for the treatment of avian flu. Upon enquiry, the Advisory Committee was informed that the shelf life of those supplies was five years.

Information technology

23. Requirements for information technology for the 2007/08 budget period rose to $795,400, representing an increase of $118,500, or 17.5 per cent, over requirements for the previous period. Supplementary information provided to the Advisory Committee indicates that the increased estimate is due to the outsourcing of the help desk and user support to meet greater demand. This includes the implementation of the disaster-recovery business continuity plan, enhancement of information technology security and the implementation of the Force's communication and information technology project. Upon enquiry, the Committee was informed that the additional requirements were related primarily to the use of an outside contract for centralized data storage and for computer maintenance, as well as a national contractor to enhance a unified system architecture and directory services and perform installation, to maintain security and to assist in the administration, support and implementation of the storage area network.

V. Conclusion

24. The action to be taken by the General Assembly in connection with the financing of UNDOF for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 18 of the performance report (A/61/662). **The Advisory Committee recommends that the unencumbered balance of $4,196,000 as well as other income/adjustments in the amount of $1,404,500 for the period ended 30 June 2006 be credited to Member States in a manner to be determined by the General Assembly (see also para. 7 above).**

25. The action to be taken by the General Assembly in connection with the financing of UNDOF for the period from 1 July 2007 to 30 June 2008 is indicated in paragraph 22 of the proposed budget (A/61/671). **Taking into account its observations above, the Advisory Committee recommends that the General Assembly appropriate an amount of $39,662,500 (gross) for the maintenance of UNDOF for the 12-month period from 1 July 2007 to 30 June 2008.**

Documentation

- Performance report on the budget of the United Nations Disengagement Observer Force for the period from 1 July 2005 to 30 June 2006 (A/61/662)
- Proposed budget for the United Nations Disengagement Observer Force for the period from 1 July 2007 to 30 June 2008 (A/61/671 and Corr.1)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2004 to 30 June 2005 and proposed budget for the period from 1 July 2006 to 30 June 2007 of the United Nations Disengagement Observer Force (A/60/811)
- Report of the Secretary-General on the United Nations Disengagement Observer Force (S/2006/938)
- General Assembly resolutions 60/277 and 59/306
- General Assembly resolution 61/264 (Liabilities and proposed funding for after-service health insurance benefits)
- Security Council resolutions 1729 (2006), 1685 (2006), 350 (1974) and 338 (1973)
- Financial report and audited financial statements for the 12-month period from 1 July 2005 to 30 June 2006 and report of the Board of Auditors on United Nations peacekeeping operations (A/61/5), vol. II (advance version)

Annex

United Nations Disengagement Observer Force: current and projected expenditures for the period from 1 July 2006 to 30 June 2007, as at 28 February 2007

(United States dollars)

	1 July 2006 to 30 April 2007			*Projected 1 May to 30 June 2007*				
	Apportionment (1)	*Total expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*	*Expenditure (4)*	*Total expenditure including projected (5)=(2)+(4)*	*Estimated unencumbered balance as at 30 June 2007 (6)=(1)-(5)*	*Variance percentage (7)=(6)÷(1)*	*Reasons for variance*
Military and police personnel								
Military observers	—	—	—	—	—	—	—	
Military contingents	19 941 600	18 438 606	1 502 994	1 609 513	20 048 119	(106 519)	(0.5)	
United Nations police	—	—	—	—	—	—	—	
Formed police units	—	—	—	—	—	—	—	
Subtotal	**19 941 600**	**18 438 606**	**1 502 994**	**1 609 513**	**20 048 119**	**(106 519)**	**(0.5)**	
Civilian personnel								
International staff	6 377 700	4 068 759	2 308 941	1 892 711	5 961 470	416 230	6.5	Vacancy rate is projected at 8%, compared with 7% budgeted
National staff	2 119 000	1 570 489	548 511	793 909	2 364 398	(245 398)	(11.6)	Implementation of revised salary scales
United Nations Volunteers	—	—	—	—	—	—	—	
Subtotal	**8 496 700**	**5 639 248**	**2 857 452**	**2 686 620**	**8 325 868**	**170 832**	**2.0**	
Operational costs								
General temporary assistance	40 000	70 084	(30 084)	66 576	136 660	(96 660)	(241.7)	Primarily due to recruitment of cartographer at the P-3 level
Government-provided personnel	—	—	—	—	—	—	—	
Civilian electoral observers	—	—	—	—	—	—	—	
Consultants	14 000	279	13 721	10 976	11 255	2 745	19.6	Lower requirement than projected as most of the training is being done at UNLB
Official travel	227 000	164 308	62 692	55 987	220 295	6 705	3.0	

	1 July 2006 to 30 April 2007			*Projected 1 May to 30 June 2007*				
	Apportionment (1)	*Total expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*	*Expenditure (4)*	*Total expenditure including projected (5)=(2)+(4)*	*Estimated unencumbered balance as at 30 June 2007 (6)=(1)-(5)*	*Variance percentage (7)=(6)÷(1)*	*Reasons for variance*
Facilities and infrastructure	4 094 700	2 898 335	1 196 365	1 017 074	3 915 409	179 291	4.4	
Ground transportation	3 954 200	1 682 735	2 271 465	1 818 461	3 501 196	453 004	11.5	Procurement of fewer units than planned
Air transportation	—	—	—	—	—	—	—	
Naval transportation	—	—	—	—	—	—	—	
Communications	1 377 400	1 014 747	362 653	295 721	1 310 468	66 932	4.9	
Information technology	676 900	569 587	107 313	101 350	670 937	5 963	0.9	
Medical	396 600	278 329	118 271	34 774	313 103	83 497	21.1	Lower requirement than projected for outside services
Special equipment	64 300	4 300	60 000	56 892	61 192	3 108	4.8	
Other supplies, services and equipment	581 800	375 204	206 596	583 619	958 823	(377 023)	(64.8)	Projected overexpenditure due to provision for the UNDOF share of OIOS Procurement Task Force expenses
Quick-impact projects	—	—	—	—	—	—	—	
Subtotal	**11 426 900**	**7 057 908**	**4 368 992**	**4 041 430**	**11 099 338**	**327 562**	**2.9**	
Gross requirements	**39 865 200**	**31 135 762**	**8 729 438**	**8 337 563**	**39 473 325**	**391 875**	**1.0**	
Staff assessment income	1 066 600	532 944	533 656	303 152	836 096	230 504	21.6	
Net requirements	**38 798 600**	**30 602 818**	**8 195 782**	**8 034 411**	**38 637 229**	**161 371**	**0.4**	
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—	
Total requirements	**39 865 200**	**31 135 762**	**8 729 438**	**8 337 563**	**39 473 325**	**391 875**	**1.0**	